

Embargo: Wednesday 10 June, 2020

10:00h US EDT / 14:00 GMT / 15:00h British Summer Time / 16:00 Central European Time
Released from Frankfurt, Nairobi, London, New York, Toronto

The report is available *for media preview* at <https://bit.ly/2U2hJd6>

It will be available post-embargo for *public access* at www.fs-unep-centre.org

Report authors are available for advance interviews. They will also take part in a media teleconference Wednesday 10 June, 2020, 10:00h US EDT / 14:00 GMT / 15:00h British Summer Time / 16:00 Central European Time. To join the call, dial +1.408.740.7256, conf. ID: 4168788712, or click here: <https://bluejeans.com/4168788712/browser>

Falling clean energy costs can provide opportunity to boost climate action in COVID-19 recovery packages

- 184 GW of clean power capacity added in 2019, a 20 GW jump from 164 GW added in 2018
- This new capacity delivered with almost the same investment as 2018 – USD 282.2 billion – demonstrating falling costs
- 826 GW of new non-hydro renewable power planned by 2030, at likely cost of around USD 1 trillion. This is less than the 1,200 GW added in past decade and far short of what is needed for Paris Agreement

Frankfurt/Nairobi, 10 June 2020 – As COVID-19 hits the fossil fuel industry, a new report shows that renewable energy is more cost-effective than ever – providing an opportunity to prioritize clean energy in economic recovery packages and bring the world closer to meeting the goals of the Paris Agreement.

Global Trends in Renewable Energy Investment 2020 — from the UN Environment Programme (UNEP), the Frankfurt School-UNEP Collaborating Centre and BloombergNEF (BNEF), available at www.fs-unep-centre.org — analyzes 2019 investment trends, and clean energy commitments made by countries and corporations for the next decade.

It finds commitments equivalent to 826 GW of new non-hydro renewable power capacity, at a likely cost of around USD 1 trillion, by 2030. (1GW is similar to the capacity of a nuclear reactor). Getting on track to limiting global temperature rise to under 2 degrees Celsius – the main goal of the Paris Agreement – would require the addition of around 3,000GW by 2030, the exact amount depending on the technology mix chosen. The planned investments also fall far below the USD 2.7 trillion committed to renewables during the last decade.

However, the report shows that the cost of installing renewable energy has hit new lows, meaning future investments will deliver far more capacity. Renewable energy capacity, excluding large hydro-electric dams of more than 50 MW, grew by 184 gigawatts (GW) in 2019. This highest-ever annual

addition was 20 GW, or 12 percent, more than the new capacity commissioned in 2018. Yet the dollar investment in 2019 was just 1 per cent higher than the previous year, at USD 282.2 billion.

The all-in, or levelized, cost of electricity continues to fall for wind and solar, thanks to technology improvements, economies of scale and fierce competition in auctions. Costs for electricity from new solar photovoltaic plants in the second half of 2019 were 83 per cent lower than a decade earlier.

“The chorus of voices calling on governments to use their COVID-19 recovery packages to create sustainable economies is growing,” said Inger Andersen, Executive Director of UNEP. “This research shows that renewable energy is one of the smartest, most cost-effective investments they can make in these packages.”

“If governments take advantage of the ever-falling price tag of renewables to put clean energy at the heart of COVID-19 economic recovery, they can take a big step towards a healthy natural world, which is the best insurance policy against global pandemics,” Andersen said.

Renewable energy has been eating away at fossil fuels’ dominant share of electricity generation over the last decade. Nearly 78 per cent of the net new GW of generating capacity added globally in 2019 was in wind, solar, biomass and waste, geothermal and small hydro. Investment in renewables, excluding large hydro, was more than three times that in new fossil fuel plants.

“Renewables such as wind and solar power already account for almost 80 per cent of newly built capacity for electricity generation,” said Svenja Schulze, Minister of the Environment, Nature Conservation and Nuclear Safety, Germany. “Investors and markets are convinced of their reliability and competitiveness.”

“The promotion of renewables can be a powerful engine for the recovery of the economy after the Coronavirus crisis, creating new and secure jobs,” she added. “At the same time, renewables improve air quality thus protecting public health. By promoting renewable energies within the framework of Coronavirus economic stimulus packages, we have the opportunity to invest in future prosperity, health and climate protection.”

2019 marked many other records, the report finds:

- The highest solar power capacity additions in one year, at 118 GW.
- The highest investment in offshore wind in one year, at USD 29.9 billion, up 19 per cent year-on-year.
- The largest financing ever for a solar project, at USD 4.3 billion for Al Maktoum IV in the United Arab Emirates.
- The highest volume of renewable energy corporate power purchase agreements, at 19.5GW worldwide.
- The highest capacity awarded in renewable energy auctions, at 78.5GW worldwide.
- The highest renewables investment ever in developing economies other than China and India, at USD 59.5 billion.

- A broadening investment, with a record 21 countries and territories investing more than USD 2 billion in renewables.

Nils Stieglitz, President of Frankfurt School of Finance & Management, said: “We see the energy transition is in full swing, with the highest capacity of renewables financed ever. Meanwhile, the fossil fuel sector has been hit hard by the COVID-19 crisis – with demand for coal- and gas-fired electricity down in many countries, and oil prices slumping.

“The climate and COVID-19 crises – despite their different natures – are both disruptions that command attention from policy makers and managers alike. Both crises demonstrate the need to increase climate ambition and shift the world’s energy supply towards renewables.”

The 2019 investment brought the share of renewables, excluding large hydro, in global generation to 13.4 per cent, up from 12.4 per cent in 2018 and 5.9 per cent in 2009. This means that in 2019, renewable power plants prevented the emission of an estimated 2.1 gigatonnes of carbon dioxide, a substantial saving given global power sector emissions of approximately 13.5 gigatonnes in 2019.

“Clean energy finds itself at a crossroads in 2020,” said Jon Moore, Chief Executive of BloombergNEF. “The last decade produced huge progress, but official targets for 2030 are far short of what is required to address climate change. When the current crisis eases, governments will need to strengthen their ambitions not just on renewable power, but also on the decarbonization of transport, buildings and industry.”

For more information, please contact:

Sophie Loran
UN Environment
+ 33 1 44 37 42 73
sophie.loran@un.org

Vera Klopprogge
Head of Corporate communications
Corporate Communication
Tel: +49 69 154008 x 322
Mail: V.Klopprogge@fs.de

Veronika Henze
BloombergNEF
+1-646-324-1596
vhenze@bloomberg.net

Terry Collins
+1-426-878-8712
tc@tca.tc

* * * * *

UNEP: unenvironment.org
Frankfurt School of Finance and Management: frankfurt-school.de
BloombergNEF: about.bnef.com